

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
May 8, 2012

Chairman Boyd called the meeting to order at 10:12 a.m.

Board Members present were as follows:

James Boyd		Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon		Patricia Walker

Members absent -	Jose Cruz	Jonathan Sinkes
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Also present were:

Steve Cypen	Legal Counsel
Rick Rivera	Pension Administrator
Echo Herman	Pension Assistant
Bill Cottle	Fund's Consultant
Kathie Brooks	Budget Director
Valarie Mosley	Investment Manager, Wellington
Zander Grant	Investment Manager, Wellington
Norm Meltz	Investment Manager, Rhumblin
Ramiro Inguanzo	Human Resources Director

CONSENT AGENDA

The Administrator requested that Item C-5, Request for refund of accumulated pension contributions on behalf of Gerald Stewart for \$80,395.36 be added to the consent agenda.

A motion was made by Mr. Green duly seconded by Mr. McKinnon, and with all in favor it was unanimously

RESOLVED that consent agenda Item C-5, Request for refund of accumulated pension contributions on behalf of Gerald Stewart for \$80,395.36 be added to the Consent Agenda as presented.

A motion was made by Mr. Green duly seconded by Mr. McKinnon, and with all in favor it was unanimously

RESOLVED that consent agenda be approved as amended.

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C-1 The Minutes of the April 10, 2012 board meetings were approved as presented.

C-2 New Members were approved as follows -

<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Mark Overton	19984	Asst. Chief Of Police	UNCL	4/9/2012
Angel Paulino	19985	Case Worker II	UNCL	4/9/2012
Eileen Sears	19989	Records Supervisor	UNCL	4/9/2012
Brian Bellino	19875	City Surveyor	GSA	3/12/2012
Sergio Benitez	19859	Water Meter Tech I	AFSCME	2/1/2012
Alejandro Fernandez	19362	Office Associate V	UNCL	2/1/2012
Joey Gan	19881	Sr. Elevator Insp.	Others	9/20/2011

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Lavulla Jones	6/01/2012	Ordinary Ret. from DROP	\$ 3,684.92
Clifton Leonard	6/01/2012	J&S 100.00% from DROP	\$ 4,207.27
Gustavo Paredes	6/01/2012	Ordinary Ret. from DROP	\$ 4,538.23
Andrew Terpak	6/01/2012	J&S 66 2/3% from DROP	\$ 5,923.22

C-4 New Pensioner Allowances were approved as follows - (None)

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Elisa A. Iglesias	04/30/2012	\$10,077.07	Resignation
Carlos Ocasio	04/27/2012	\$ 3,339.78	Resignation
Aaron Sinnes	05/04/2012	\$ 20,221.48	Resignation
Gerald Stewart	03/05/2012	\$ 80,395.36	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>Total Buyback \$</u>	<u>Buyback Type</u>
Oswaldo Garcia	4/13/2012	0.52	141.22	\$3,754.79	Probationary Buyback
Shauna Watson	3/29/2012	0.51	98	\$1,432.47	Probationary Buyback
Arnita Hall	5/3/2012	0.50	122.32	\$4,076.65	Probationary Buyback
Jorge Hernandez	5/3/2012	1.01	196.41	\$4,662.78	Probationary Buyback

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**C-8 Request for up to Two (2) years of additional creditable service were approved as follows -**

<u>Date</u>	<u>Employee Name</u>	<u>Service Applying for</u>
5/8/2012	Robert Carroll	2.0
5/8/2012	Christina Hirschhorn	1.0
5/8/2012	Yasmin Kiffin	2.0
5/8/2012	Jose Perez	2.0
5/8/2012	Arnita Hall	0.5

**C-9 DROP applicants were approved as follows - (None)**

**C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -**

<u>DATE</u>	<u>NAME</u>	<u>CK#</u>	<u>AMOUNT</u>
4/13/2012	Lump Sum- Ashlei Hodges	113187	\$ 5,057.04
	945 Tax Deposit	xxxxx	\$ 1,264.26
3/19/2012	Lump Sum- Mark Ray	113188	\$ 3,504.59
	945 Tax Deposit		\$ 700.92
3/19/2012	IRA Rollover- Sonia Valladares	113190	\$ 5,550.22

**C-11 The Financial Reports were approved as presented.**

**C-12 Requests for Payment**

**C-13 Requests for Payment (Conferences)**

**Legal**

Steve Cypen- Legal Services

Legal services rendered for the month of May 2012 \$ 5,000.00

**Bookkeeping**

Joan Wall- Bookkeeping

services rendered for the month of May 2012 \$ 350.00

**Actuary Fee**

GRS- Actuary Fees for

Preparation of Actuarial Valuation Report Per inv# 118243 dated 4/9/12 \$ 1,474.00

**Computer Consultant**

Ellen Schaffer- Capital Equipment

Annual Support fee per inv.# 2517 dated 4/6/12 \$ 1,531.00

**Medical Board**

Medical Records- South Florida Multispecialty Assoc.

Request for medical records disability applicant Frank Rodriguez \$ 30.00

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### **Office, etc.**

Copier - Sharp Lease

Monthly copier fees per inv.#	\$	228.56
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Storage - IDD

Monthly storage fee per inv.# 0067518, 0068254	\$	148.36
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Office Maintenance- CMB Property Management

Monthly maintenance March 2012 Per inv.# 00028970	\$	2,433.87
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Computer & Phone- CMB I.T.

Charges for Oct. 2011-May 2012	\$	22,336.00
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Printing & Postage- CMB Central Services

March 2012 Per inv.# 00028882 dated 4/2/12	\$	768.95
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Printing & Postage- ISA Printing & Bindery

Binding of 2011 Board Agendas Inv.# 58923	\$	70.00
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Printing & Postage- Comet Courier

Courier services used for binding minutes per inv# J11208	\$	39.70
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Office Supplies- Office Depot

Misc. supplies per inv.# 607008680001	\$	88.26
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### **Custody Fees**

Fiduciary - Custodian Fees

Qtr. Ending 3/31/12 Per inv.# S14800170070, # S14800170060	\$	3,203.56
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### **Investment Management Fees**

Rhumblin- Investment Management Fee

Qtr. Ending 3/31/12 Per inv.# gmbeach2012Q1, mbgadr2012Q1	\$	20,429.00
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ICC- Investment Management Fee

Qtr. Ending 6/30/12 per inv.# 57532302	\$	43,643.66
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WHV- Investment Management Fee

Qtr. Ending 3/31/12 Per inv. # 44528	\$	87,330.00
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*REGULAR AGENDA*

R-1 Deferred Items -

- A. Investment in WHV Emerging Markets Fund - Mr. Cottle reviewed the most updated investment performance for the emerging markets sector and the WHV emerging markets active strategy. Mr. Cottle made a recommendation to allocate \$10,000,000 from the Rhumbline ADR account into this new active strategy. A discussion ensued.

A motion was made by Mr. Green duly seconded by Mr. Gomez, and unanimously

RESOLVED that the Administrator be authorized to transfer \$10 million from the Rhumbline ADR account into a new WHV emerging markets account to be custodied at FTI.

- B. ICC performance update - Mr. Cottle reviewed the historical investment performance of I.C.C. Mr. Cottle provided the Board with cumulative as well as Calendar performance for ICC going back to 10 years. A discussion ensued regarding the long term value added of ICC's performance versus respective benchmarks.

Mr. Cottle provided the Board preliminary information for 10 large cap core managers who had better performance results versus the overall stock market, as measured by the S&P 500. Mr. Cottle went over the large cap core manager information. He said that if the Board wished, Milliman would continue with the large cap core research and send out questionnaires to the referenced managers and conduct a more in-depth analysis of the firms. A discussion ensued.

A motion was made by Mr. McKinnon duly seconded by Mr. Gomez, and unanimously

RESOLVED that Milliman Inc. be authorized to continue with the large cap core manager research and conduct a more in-depth analysis of the referenced firms.

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R-2 New Items -

- A. Annual election of Board officers - A discussion ensued regarding whether to defer the election of officers until a full board could be present.

A motion was made by Mr. McKinnon to re-appoint James Boyd as Chairman of the MBERP Board.

A motion was made by Mr. Green duly seconded by Ms. Walker to close the nominations.

It was unanimously

RESOLVED that James Boyd be re-elected as Chairman of the MBERP Board.

A motion was made by Ms. Fernandez to re-appoint Jorge Gomez as Vice Chairman of the MBERP Board.

A motion was made by Ms. Walker duly seconded by Mr. Green to close the nominations.

It was unanimously

RESOLVED that Jorge Gomez be re-elected as Vice Chairman of the MBERP Board.

A motion was made by Mr. Horday to re-appoint Hilda Fernandez as Secretary of the MBERP Board.

A motion was made by Mr. Green duly seconded by Ms. Walker to close the nominations.

It was unanimously

RESOLVED that Hilda Fernandez be re-elected as Secretary of the MBERP Board.

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- B.       Fiduciary Liability Insurance renewal - The Administrator informed the Board that Travelers Insurance Company had not provided the Plan its' annual Fiduciary Liability Renewal because Travelers' needed the Fund's latest funded ratio from the 10/1/2011 actuarial valuation. The Administrator provided the Board a premium due for a 15 day Fiduciary Liability Insurance extension for the period of 5/15/2012 to 5/31/2012 for the approximate amount of \$1,800.

The Administrator provided the Board an alternate quote from Socius Insurance Service for Fiduciary Liability Insurance. A discussion ensued. Mr. Cypen recommended paying the 15 day Fiduciary Liability Insurance extension and approving the annual premium from Travelers insurance once it is provided to the Administrator. He said that the Miami Beach Police & Fire Pension Fund had sustained similar rate increases for Fiduciary Liability Insurance from the Travelers due to the recent decrease in their funded ratio the last several years. Mr. Cypen said that nationally there were only a handful of reputable insurance companies that provided Fiduciary Liability Insurance to municipalities. A discussion ensued.

A motion was made by Ms. Fernandez duly seconded by Ms. Walker, and unanimously

RESOLVED       to approve the 15 day Travelers Fiduciary Liability Insurance extension for the period of 5/15/2012 to 5/31/2012 in the approximate amount of \$1,800 and to approve the annual FRIP binding from the Travelers once provided to the Administrator not to exceed \$50,000.

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### R-3 Other Business

- A. Administrator's Report - The Administrator reminded the Board that Mr. Palmquist would be available to present the Valuation on Wednesday, May 16<sup>th</sup> or Friday, May 18<sup>th</sup>. A discussion ensued. Ms. Walker asked the Administrator when the data had been submitted to the actuary. The Administrator said that the data had been submitted sometime in the month of March. The Board was displeased with the tardiness of the Administrator's data submission.

Ms. Walker asked the Administrator if there had been any problems with the submission of the data. The Administrator provided the Board one issue with the data reconciliation that had aided to the data submission delay. Ms. Walker asked the Administrator what date the ordinance stated the employer contribution should be provided to the City. The Administrator said that the pension ordinance required that the Board provide an approximate employer contribution to the City each July. Ms. Walker said that submitting an employer contribution in July would not be acceptable with the annual budget process. The Administrator agreed.

Mr. Cypen reviewed the Actuary, Gabriel Roeder Smith's, contract and stated that that the contract read that the actuarial report should be completed 6-8 weeks from the receipt of the data. The Administrator said that March 12<sup>th</sup> was the day that the data was sent to the actuary via an email. He acknowledged that he was at fault for the tardiness of the data submission. The Administrator suggested that in the future the Board set a deadline for the submission of the data by the Administrator to the Actuary. He said that regardless, he would be taking the necessary steps to ensure that the annual submission of actuarial data be much earlier each year. A discussion ensued. No action was taken at this time.

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R-4 Quarterly Investment Reports

- A. Bill Cottle, Milliman Inc. - Mr. Cottle reviewed the 3/31/2012 quarterly performance report. He said that the Fund's quarterly investment return was 8.8% and that fiscal year to date the Fund had a 17.9% return. Mr. Cottle reviewed the actual asset allocation, investment manager performance and total fund risk/reward versus the Universe from Milliman's quarterly report.
- B. Large Cap Core Manager information, Bill Cottle, Milliman Inc. - Mr. Cottle previously reviewed this information in item R-1(B).
- C. Fixed income manager presentations - Mr. Zander Grant and Ms. Valerie Mosely of Wellington Management presented their quarterly investment manager report. Mr. Norm Meltz of Rhumblin Advisers presented Rhumblin's quarterly investment manager report.

R-5 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Ms. Walker and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:20 p.m.

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James Boyd, Chairman

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Hilda Fernandez, Secretary